



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
AUDITOR-CONTROLLER

September 17, 2013

TO: All Department Heads

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **ANNUAL REPORTING REQUIREMENTS FOR FOUNDATIONS AND
SUPPORT GROUPS**

On January 4, 1994, the Board of Supervisors (Board) adopted requirements governing departments' relationships with foundations and support groups. The adopted procedures, which were incorporated into the County Fiscal Manual (CFM), define the types of organizations that qualify as "reportable foundations," and require departments to monitor, account for and report on their relationships with reportable foundations. These procedures also require departments to file an annual benefit/cost report with the Board of Supervisors and the Auditor-Controller (A-C) on each reportable foundation.

Attached is the **ANNUAL REPORTING FORM FOR FOUNDATION ACTIVITIES**. The form can also be found on the A-C's internet website (http://file.lacounty.gov/auditor/portal/cms1_163297.doc). As specified in the CFM Section 16.1.3.7, the form requires departments to report general information on foundation activities, the amount of County support provided to the foundation, and the tangible and intangible benefits provided by the foundation. Departments are also required to report all cases where department employees serve as officers of an affiliated foundation or are on the foundation's board of directors. Finally, the department head must affirm/certify that each of the department's foundation affiliations continues to be in the best interest of the County.

It is very important that departments specifically identify, and where possible, quantify intangible benefits provided by each foundation. In past years, some departments have not identified the intangible benefits provided to the Department by foundations. At times, the value of the support (e.g., staff salaries, etc.) provided by the County to a foundation exceeds the tangible benefits provided by the foundation. Even if the intangible benefits appear obvious, it is important to document and, where possible,

quantify the intangible benefits to show the true value of continuing the relationship with the foundation.

The attached form should be completed and submitted to my office for each affiliated reportable foundation by September 30, 2013. As indicated in the CFM procedures, departments affiliated with multiple small neighborhood groups supporting specific facilities or activities (e.g., small informal local groups which provide support to particular parks, local libraries or youth activities, such as boys or girls clubs, etc.) may submit a single combined report for these types of support groups. The combined report should list each informal group and provide all of the requested information for the group as a whole.

Departments not having any affiliations with reportable foundations must also sign and submit the attached Certification. We will provide the Board with information on specific foundations at their request. The completed annual reporting forms should be submitted to the Board of Supervisors and the Auditor-Controller at the addresses below:

Board of Supervisors

Sachi A. Hamai
Executive Officer, Board of Supervisors
500 West Temple Street, Room 383
Los Angeles, CA 90012-2766

Auditor-Controller

Wendy L. Watanabe
Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90012-2766
Attention: Heather Singh, Audit Division

Departments may also e-mail the signed BOS Executive Office's copy to boscustomerservicecenter@bos.lacounty.gov and the signed Auditor-Controller's copy to hsingh@auditor.lacounty.gov in a PDF format. If you have any questions, please contact Heather Singh at (213) 253-0197.

WLW:RS:HS

Attachment

c: Chief Deputies
Administrative Deputies
Audit Committee

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

**ANNUAL REPORTING FORM
FOR FOUNDATION ACTIVITIES**

REPORTING PERIOD – FISCAL YEAR 2012-13

Department _____

Departmental Contact: _____

E-mail and Telephone Number: _____

Certification

I hereby affirm/certify, to the best of my knowledge and belief, the foregoing information provided on this annual reporting form is true and accurate:

____ The Department is not affiliated with any reportable foundations(s)

____ The Department's affiliation with the following named foundation, guild, auxiliary or other support organization continues to be in the best interests of the County. (Please complete and include the foundation information below.)

Department Head Signature

Date

Foundation Information

1. Foundation: _____

2. Date Foundation Chartered/Incorporated _____

Has the organization filed for and received California tax exempt status?

Yes ☐

No ☐

3. Purpose of Foundation: _____

4. During the reporting period, were any Department employees directly involved with the Foundation's policy making or its administration and operations (e.g., by serving as members of the Board of Directors or officers of the Foundation)?

Yes ☐

No ☐

If yes, list the names and positions of the employees below.

<u>Name</u>	<u>Position</u>
_____	_____
_____	_____
_____	_____
_____	_____

Has the involvement in Foundation activities of the above-named employees been discussed with County Counsel and approved by the Board of Supervisors?

Yes ☐

No ☐

5. If Department employees were involved in the activities and operations of the Foundation, identify the approximate percentage of time, the number of employees and the salary and employee benefits costs spent on Foundation activities during the reporting period.

<u>Percentage of Time Spent On Foundation Activities</u>	<u>Number of Employees</u>	<u>Approximate Salaries and Benefits</u>
100 %	_____	\$ _____
75 % to less than 100 %	_____	_____
50 % to less than 75 %	_____	_____
25 % to less than 50 %	_____	_____
less than 25 %	_____	_____
Totals (include total salaries in 6d. below)		\$ _____

6. Total estimated value of support provided by the Department to the Foundation during the reporting period.

<u>Type of Support</u>	<u>Cost or Value of Support Provided to the Foundation</u>
a. Office space	\$ _____
b. Utilities	_____
c. Supplies	_____
d. Staff/personnel (salaries and benefits, including the total from #5 above)	_____
e. Travel/transportation	_____
f. Other (describe) _____ _____ _____	_____
Total	\$ _____

7. Were any County revenues from activities (e.g., ticket sales or entrance fees, etc.) transferred or otherwise provided to the Foundation during the reporting period?

Yes ☐

No ☐

If yes, describe the type (source) of revenues and the amount and percent of revenues transferred to the Foundation. (The percent is the percent of that specific category of revenue, e.g., the percent of general admission fees.)

**Dollar Amount Transferred and Percent
of Total Revenues Transferred**

<u>Type of Revenue</u>	<u>Amount</u>	<u>Percentage</u>
General admission fees	\$ _____	_____ %
Special events admission fees	_____	_____ %
Revenues from other activities (e.g., concession sales); describe the other activities.	_____	_____ %

Total	\$ _____	

8. Does the Department provide oversight or monitor the Foundation's activities, services (i.e., support provided to the Department) or financial matters?

Foundation activities Yes ☐ No ☐

Foundation services
(Support provided to Dept.) Yes ☐ No ☐

Financial matters Yes ☐ No ☐

9. Type and value of tangible support provided by the Foundation to the Department during the reporting period.

Type of Support (See Note below)	Value of Support Received
Contributions:	
Monetary	\$ _____
Additional compensation for County employees	_____
Supplies/medicines	_____
Equipment/facilities	_____
Travel/transportation	_____
Other (describe): _____ _____	_____ _____
Total	\$ _____

Note: Tangible contributions, such as funds, supplies or equipment which foundations donate to the department or the department's clients, are considered donations and must be budgeted, accounted for and documented (dates, value, etc.) in accordance with the donation procedures in the **County Fiscal Manual** Section 2.4.0.

10. Does the Foundation provide intangible benefits/services (e.g., volunteer hours, goodwill, etc.) to the Department? (See Note below.)

Yes ☐

No ☐

Type & Number of Units

12. Foundation operating budget. \$ _____

Attached ☐

Not Attached ☐

[illegible]

14. Attach a list of foundation assets (cash, etc.).

Attached ☐

Not Attached ☐

If a list of assets is not attached, please explain why:

15. List any observations on areas where the Foundation may be able to improve the manner in which it operates. For example:

1. In its relationship with the Department.
2. In its relationship with the clients it serves.
